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RECOMMENDATION FROM

25X1A9a

FROM

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SUBJECT

Draft Bureau of the Budget Report on Economic Reporting by the Foreign Service

1. The points in your draft report seem to be well taken and express a situation that has long needed correction. Several of your recommendations will be of distinct benefit to CIA in the performance of its mission, namely:

a. That emphasis should be placed on U. S. strategic interests in foreign economic reporting.

b. That CIA "spot" requests go directly to an office of Foreign Reporting Services.

c. That other agencies such as CIA would be encouraged to assign qualified specialists to reporting jobs in the Foreign Service.

d. That State should create an active collection control mechanism to direct collection rather than passively administer the system as in the past.

2. There are still two points pertaining to your draft which CIA will want to take. These are:

a. That CIA should have final authority to establish priorities for those critical requirements relating to National Security. It is believed that this responsibility placed on DDCI by the National Security Act of 1947 is inappropriate. A system of priorities could be arranged which would clearly delineate those requirements which CIA regarded as critical and would permit all other intelligence requirements

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fitted into proper perspective with those requirements of the other government departments and agencies not concerned with national security. Separate authority exists in the DDCI and the DCI to promulgate rules of this system.

x b. CIA should participate in establishing the substantive policies by which the Office of Foreign Reporting Services executes its responsibilities. The mere expression of the priority of requirements is not adequate assurance that properly trained personnel will be selected and assigned in sufficient numbers to fulfill the requirements. It is believed that CIA should:

- x (1) Be represented on the Board of the Foreign Service by the Director of CIA or his Deputy.
x (2) Assign a liaison officer to the Office of Foreign Reporting Services in order to maintain close and direct liaison.

x c. It is believed that your report should reflect these points in its recommendations. There is attached a re-draft of the proposed executive order incorporating certain changes which more appropriately reflect CIA's executive responsibilities with respect to requirements for the collection of foreign information. It is requested that the report will be transmitted to CIA for formal consideration prior to promulgation. The opportunity to study your draft in advance of the formal transmission of the report to CIA is appreciated.

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Providing for the Performance of Foreign Service reporting
functions.

By virtue of the authority vested in me by Section III of the
Foreign Service Act of 1946 (60 Stat. 1002), and as President
of the United States, it is hereby ordered:

1. The Secretary of State is authorized and directed to prepare
and maintain with the cooperation of other interested agencies:
 - (a) a comprehensive statement of the foreign data
requirements of United States Government agencies
to be met through the Foreign Service,
 - (b) guiding standards of acceptability and priority
for requests for reports, statistics, publications
and all other data from the Foreign Service
of the United States not related to the National
Security,
2. The Secretary of State will receive from the Director of
Central Intelligence requests for reports, statistics, publications,
and all other data from the Foreign Service of the United
States representing the coordinated requirements of the United
States Government for information relating to the National
Security. Such requests will indicate their relative priority
and all requests classified by the Director of Central Intelligence
as critical to the interests of National Security will be given
the highest priority by the Department of State.
3. The Secretary of State is further authorized:
 - (a) to determine priorities for compliance by the
Foreign Service among requests from departments
and agencies of the Government for reports,
statistics, publications and all other data not
of critical importance to the National Security;
and
 - (b) to adjust the requests upon the Foreign Service
to the available resources of the Foreign Service.

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